TOP SECRET

## GENERAL

1. Recent Soviet moves to split Berlin--US Ambassador Murphy considers, in view of recently intensified Soviet moves to split the Berlin government and tighten the blockade of the western sectors, that the Berlin problem has now advanced far beyond the blockade and currency impasse of July 1948 with which UN negotiations are currently dealing. Murphy therefore believes that "full knowledge and understanding" of recent Soviet actions and motives are required in order to prevent misunderstanding in neutral nations and world opinion in the event that the western nations find it necessary to refuse an apparent solution reached by the UN.

(CIA Comment: CIA considers that the possibilities of effecting a unification of the Berlin city administration are becoming increasingly remote in view of recent Soviet actions in splitting the city.)

2. Italy protests US position on Eritrea-Italian Foreign Minister Sforza has informed US Ambassador Dunn that the US decision to favor the cession of parts of Eritrea to Ethiopia would have serious political repercussions in Italy and might damage the US position in that country beyond repair. Ambassador Dunn does not consider that Sforza has exaggerated the gravity of the situation and recommends that the US position be reconsidered. In reply to the Italian Government's request that the US advocate postponement of the disposition of Italy's foreign colonies until 1949, the US Department of State has declared that the Italian request will be referred to the US delegation in Paris for consideration "in the light of all factors involved."

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## FAR EAST

3. CHINA: Nationalist leaders plan war cabinet without Chian US Embassy Nanking reports that Nationalist political leaders are currently considering the formation of a war cabinet is order to make an all-cut effort to contain the Communists north of the Yangtze River. According to the Embassy, the plan envisages: (a) the withdrawal of Chiang Kai-she's from active participation in the Government, but his retention of the nominal status of president; (b) the formation of a new ward cabinet with full emergency powers under the premiership of some national figure; (c) the abandonment of North Chine; and (d) the establishment of a defense line along the Yangtz's River, utilizing the full power of the Nationalist Navy and the Air Force to prevent major Communist crossings.

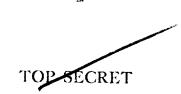
(CIA Comment: CIA believes such a plan is basically sound and might have had success several months earlier. It is doubtful whether such a plan could be implemented now before the Communist armies reach Nanking.)

## THE AMERICAS

4. GUADELOUPE: Possible Communist demonstrations—US

Vice—consul Bartelt in Martinique reports that a 'ractropolitan Communist' agitator recently arrived at Guadeloupe
and is planning by means of mass strikes and demonstrations
to disrupt the 30 November West Indian Conference, to which
the US is sending delegates

(CIA Comment: CIA considers serious Communistinspired disturbances a possibility. In such an event, the local police will not be able to maintain law and order or afford US citizens adequate protection.)



## TOP SECRET

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<b>5</b> .	VENEZUELA: Military junta fears civil disturbances -
	hat Accion Democratica ground
	in venezuera nave recently offered some armed opposition
	to the military group which has taken nower in Versenals are
	that the army is "worried about" interior points which are
	distant from army posts. US Embassy Caracas reports her we
	rung on 25 Hovember in the center of Caracas and adds
	that the military funts has suspended more gird, liberation

(CIA Comment: CIA considers: (a) the army has been too optimistic concerning the completeness of its success: and (b) the chances are good that there will be outbreaks in violence by partisans of Accion Democratica)

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<b>3</b> .,	NICARAGUA Possible move by Caribbean Legion
	that the President of Guatemala will probably sup- ply the Caribbean Legion with arms with which to move
	against Dictator Somoza in Nicaragua and President Cariès
	in Ronduras. expresses the view, however, that this information is being so openly discussed that no imminent action is indicated.

Legion may take action against Somoza at any time during the next month. Open discussion of these plans will probably not deter the Legion from taking action inasmuch as the Legion has sought publicity as a means of gaining popular support)

